

stream is obstructed. This is one of the perils of war.

The volume of the wealth current is maintained or augmented by the action and interaction of a large number of factors. First may be mentioned the employment of credit. By credit all the available goods of a community are drawn into the market and used in purchasing.¹ A man may have money with no desire to expend it. But he will rarely be unwilling to add to his potential satisfactions by lending or investing it at interest, and in this case he contributes to the fund that is employed in purchase—in the purchase of goods that are exposed for sale, or in the purchase of goods by an employer from his workmen that takes the form of paying them wages. Credit is based upon the transferability of wealth : but when commercial confidence runs high, goods or land may be pledged several times over, and the industrial fund of the country may enormously exceed the amount of the actual available wealth. But when security is based, not upon wealth, but upon trustfulness, its existence is precarious: if a link is broken, the chain collapses, and such a commercial panic ensues as periodically disorganizes industry and throws workmen out of employ.

Cheapness also increases the volume of production. There is always a reluctance to part with money. This is lessened if its expenditure

will give a substantial return in satisfaction. And the cheaper are goods the greater is the surplus that remains after procuring them. for the purchase of other varieties of satisfaction. Accordingly cheapness promotes variety of demand and stimulates the establishment of new

¶ Purchase ¶ is used throughout as including the payment of wages by a manufacturer to his workmen in return for the goods they create for him.